

State of California

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS      DATE: February 7, 2002  
REFERENCE CODE: 2002-008

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Accounting Officers  
Personnel Officers  
Employee Relations Officers  
Department Directors  
State-Owned Housing Coordinators

FROM: Department of Personnel Administration  
Benefits Division

SUBJECT: State-Owned Housing - Reporting and Withholding Requirements

CONTACT: Sondra Cooper, Benefits Program Analyst  
(916) 324-9365, CALNET 454-9365  
FAX: (916) 322-3769  
Email: sondracooper@dpa.ca.gov

This memorandum provides updated information regarding the reporting and tax withholding requirements associated with employer-provided housing/lodging. Employer-provided housing/lodging includes: reimbursements to employees for housing allowances, payments to locate housing, rent or lease payments to third parties (paying employees' rent), paying rental taxes (county Possessory Interest Tax), and providing housing units. Housing units include: houses, apartments, dormitories, mobile homes, trailers, mobile home pads, trailer spaces, etc., and utilities when applicable.

The Department of Personnel Administration (DPA), representing the State, has responsibility for monitoring pay and benefit programs to ensure compliance with applicable federal and State regulations, for advising departments and employees of pay and benefits administrative requirements, and for informing agencies of the tax requirements (federal and State) for pay and benefit programs associated with employer-provided housing.

In March of 1994, DPA issued a Personnel Management Liaisons (PML) Memorandum, Reference Code 94-18 (Attachment A). The PML addressed the provisions contained in the State Controller's Office (SCO) Payroll Letter No. 94-06 (Attachment B) "Housing/Lodging Reporting and Withholding Requirements." Departments with State-owned properties were reminded of their mandatory responsibility to:

- (1) establish processes and procedures to annually assess the fair

market value (FMV) of their properties; and (2) to report the employees' taxable income associated with employer-provided housing to the SCO.

Reference/Authority: California Code of Regulations (CCR),  
DPA Rule Section 599.640-648.

### Reporting and Withholding Requirements

IRS Regulations state that the value of housing provided by the employer may be non-taxable (excluded from gross income) as either a Working Condition Fringe Benefit or when reimbursed as an Employee Business Expense when specific criteria are met. Refer to SCO's Payroll Procedures Manual (PPM), Section I-135-135.3.4. According to the IRS Regulation 1.119-1 (b) Lodging, the value of housing/lodging furnished to an employee by the employer as a Working Condition Fringe Benefit shall be excluded from the employee's gross income if all three of the following criteria are met:

1. **The lodging is provided on the business premises of the employer.** On the business premises of the employer means the place where the employee performs a significant portion of his/her duties. To meet this requirement, the housing must be on the premises, not near the premises, and
2. **The lodging is provided for the convenience of the employer.** The convenience of the employer means that the employer has a substantial non-compensatory business reason to provide housing to the employee. This determination is made on a case-by-case basis, and
3. **The employee is required to accept such lodging as a condition of employment.** As a condition of employment means that the employee is required to accept the housing to properly perform the duties of the job. It is not sufficient that an employee is compelled by the employer to live on the premises. The employee must be required to do so as the onsite housing is indispensable to the proper discharge of assigned duties. An employer must demonstrate and document the need for an employee to live on the premises to satisfy the condition of employment test.

The value of any housing/lodging not meeting all three criteria above is regulated by IRS Regulation 1.61-21(b), Valuation of Fringe Benefits. The difference between the Fair Market Value (FMV) of employer-provided housing/lodging and the monthly rent paid by the employee/reimbursement amount is included in the employee's gross income and is reportable taxable income. Note: California law defines gross income the same as the federal law.

Departments must follow federal and State housing requirements including performing annual FMV determinations and timely reporting of taxable housing (Attachment C - Non-USPS Adjustment Request-- Values [Fringe Benefit/Employee Business Expense], STD. 676V). to the SCO by the 10<sup>th</sup> of the month following the month the employee received the taxable benefit.

Reference/Authority: Personnel Procedure Manual (PPM) 135.3, Employer Provided Housing, IRS Code Section 62, and IRS Regulation 1.119-1(b).

#### Statewide Property Inventory

Departments are also required to annually provide a record of each parcel of real property and each major structure possessed by the agency to the Department of General Services (DGS), Real Estate Services Division (RESD). The report (Structure Data Entry Form, RESD 1040 Attachment D) must include an update of the real property and structure, and reflect any changes to those records annually

Reference/Authority: Government Code Section 11011.15 et seq.

#### Annual Taxable Possessory Interest

In accordance with California law, the local county assessor's office is required to annually assess all taxable property in his/her county, except for State-assessed property, to the person owing, claiming, possessing (leasing/renting), or controlling it on January 1. This assessment includes government housing occupied by employees as their residences, cabins on Forest Service land, marinas, recreation areas, etc. In January departments may receive a letter from the Office of Assessor requesting the agency to supply by **February 15** information on all private uses of publicly owned property as of January 1. (Possessory Interest Annual Usage Report, BOE-502-P Attachment E).

There is no exemption from reporting possessory interest to the respective counties. If the agency has not been notified by the assessor's office and the rented property meets the criteria for the possessory interest tax, the department is obligated to complete Attachment E and forward it to the local assessor's office by the February 15 due date.

Agency payment of Possessory Interest Tax on behalf of an employee represents taxable, reportable income to that employee. Unless the employee meets all three Working Condition Fringe Benefit requirements, the payment value must be reported to the SCO by the 10<sup>th</sup> of the month following payment.

Reference/Authority: "Taxable Possessory Interest in Public, Non-Taxable Property" RTC Section 104, 61:107 and 107.6 and Section 480.6, CCR, DPA 599.648, Collective Bargaining Identification (CBID) and Memorandum of Understanding (MOU).

#### Assessment of Fair Market Value

The FMV must be determined on an annualized basis. While the IRS does not require a new appraisal every year, the appraisal must be reviewed annually.

Reference/Authority: California Codes, Civil Code, Section 1917.140-142, California Code of Regulations, DPA Rule Section 599.644, IRS Code Sections 61, 62, 119, IRS Regulations Section 1.61-21(b), 1.119-1(b), and CBID MOU.

#### Reporting Requirements and Applicable Timelines

##### Monthly

##### **By the 10<sup>th</sup> of the month: Taxable Housing/Lodging Values**

Departments must report to the SCO the difference between the actual rent/utilities/County Possessory Interest Tax paid by the employee and the FMV of employer-provided housing/lodging/utilities/County Possessory Interest tax payments not exempt by IRS criteria. This information must be recorded on the Non-USPS Adjustment Request - Values form, STD.676V (REV.3-2001) "Fringe Benefit/Employee Business Expense" (Attachment C).

##### Annually

##### **February 15: Taxable Possessory Interest**

Departments are required to provide the assessor of the county in which the property is located information for the current assessment year on all private uses of publicly owned property. Revenue and Taxation Code Section 61 requires departments to submit a detailed report to the county assessor's office annually **by February 15**. This information should be recorded on BOE form 502-P (8-97). Attachment E unless otherwise directed by the local county assessor. Reports may be submitted before the specified date. If the due date falls on Saturday, Sunday, or a legal holiday, the report may be submitted on the next business day. Each agency is required to provide the DPA, Benefits Division, SOH Unit, 1515 S Street, North Building, Suite 400 with copies of the reportable Taxable Possessory Interest Tax, BOE-502-P (Attachment E) or facsimile.

**March 15: State-Owned Housing (SOH) Surveys**

On or before February 5, DPA will provide each housing coordinator a disk and printout (State-Owned Housing (SOH) Survey [Attachment F]) of the most recent SOH Survey Form. This information should be reviewed, edited as needed, and returned along with a printed copy of the report by **March 15** to the DPA, Benefits Division, 1515 S Street, North Building, Suite 400, Attention: SOH Coordinator.

Reference/Authority: California Code of Regulations,  
DPA Rule Section 599.644-646, CBID MOU.

**March 15: FMV Appraisals**

Departments are required to submit a brief summary of the updated appraisal(s) to the DPA, Benefits Division, SOH Unit. The summary should include the following information: identify the department and facility, county code, property/residence, residence address, number of bedrooms and square footage, date of FMV appraisal, and the appraised dollar value. If there were no major improvements in the housing market or to the housing unit, any subsequent updates/annual appraisals may consist of a brief summary of the updated appraisal(s).

Reference/Authority: California Code of Regulations,  
DPA Rule Section 599.644-646, CBID MOU.

**July 1: Real Property and Major Structures**

Departments are required to submit an update to DGS/RESD reflecting each parcel of real property and major structures (including any changes). This information should be recorded on the Structure Data Entry Form, RESD 1040 (Attachment D).

In addition to the report being submitted to DGS/RESD, please copy DPA, Benefits Division, SOH Unit when the property includes employee housing units.

**Definitions**

**Fair Market Value (FMV)** - IRS Regulation Section I.61-21 (b) defines FMV as the amount which the property would rent for in an open market between a willing lessor and lessee.

**Fringe Benefit** - The FMV less actual rent paid by the employee equals the taxable and reportable fringe benefit. Example: The department charges \$300/month for employee housing. FMV for the property is \$1000/month. The FMV (\$1000) minus the monthly rent (\$300) equals the taxable and reportable fringe benefit amount (\$700). [IRS Regulations, Section 119-1 (b).]

**Possessory Interest Tax** - Under the California Constitution, State-owned property is exempt from real estate taxes except when that property is used either by employees or private businesses for private use. Because rent charged by Government entities does not include an increment to recover taxes, private use by an individual or private business can be taxed by the county assessor as possessory interest. [Revenue and Taxation Code Section 107.]

#### Retention Schedule

According to the Franchise Tax Board Manual (Section 10000), "the Statue of Limitations (SOL) is a time limit imposed by law on the right of both the state and taxpayer to increase or decrease the taxpayer's self-assessed taxes." In addition, the DGS, Procurement Division, Records Management Handbook, Records Retention section states, "Records have legal value if they contain evidence of legally enforceable right of obligations of the State." Examples of these records would include State-owned housing records (housing surveys, FMV appraisals, and rental agreements) because they are viewed as a fiscal document representing a contractual agreement between the State and employees renting State-owned properties.

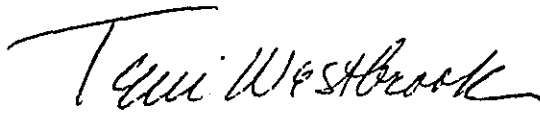
In accordance with the Franchise Tax Board, the SOL period is usually the latter of four years from the due date of the tax return or the date the tax return is filed. The Franchise Tax Board's recommendation is that California taxpayers keep a copy of their return and the records that verify the income, deductions, adjustments, or credits reported on their return. Property records should be kept as long as they are needed to figure the basis of the property.

State-Owned Housing Survey reports and Possessory Interests Annual Usage Report BOE-502-P should be retained for four years after the lien date or three years if the documents have been microfilmed, microfiched, imaged, or saved to disc.

Reference/Authority: DGS Records Management Handbook, Records Retention, California Revenue and Taxation Code, Section 465. Franchise Tax Board, Tax Assistance - Frequently Asked Questions.

PML 2002-008  
February 7, 2002  
Page 7

If you have any questions regarding this information, you may call  
Sondra Cooper, Benefits Program Analyst, at (916) 324-9365 or CALNET  
454-9365.

A handwritten signature in cursive script that reads "Terri Westbrook". The signature is written in black ink and is positioned above the typed name and title.

Terri Westbrook, Chief  
Benefits Division

cc: SCO, Tax Support Section  
DGS, Real Estate Services Division

Attachment(s)



## REPORTING REQUIREMENTS\*

Specified Date	Interested Parties	Act Required	Reference/Authority
10 <sup>th</sup> of month	Department	Report to the SCO the difference between the FMV and the actual rent paid by the employee for employer-provided Housing/Lodging; plus report any employer payment/reimbursement for rent, utilities and Possessory Interest Tax not exempt by IRS requirements.  Form: SCO STD.676V	SCO, PPM § 1 135.3, § 62 IRS Code, § 1.119-1(b) IRS Regulation
February 15	Department Renter/lessee	File possessory interest real property usage report with county assessor.  Form: BOE-502-P	§§ 61:107 and 107.6 104, 480.6 Rev. & Tax. Code (R&TC), MOU CBID
March 15	Department	Annual FMV appraisal update. Summary of the most recent appraisal/updated FMV appraisal to DPA, Benefits Division, SOH Coordinator. Include department and facility, county code, property/residence name, residence address, number of bedrooms and square footage, date of FMV appraisal and the appraised dollar value.	Cal. Code Regs. § 1917.140-142, DPA Law § 599.644, §§ 61-21(b), 62 and I.119 IRS Code, MOU CBID
March 15	Department	State-Owned Housing rental survey. Submit the annual updated housing survey to DPA, Benefits Division, SOH Coordinator.  Form: DPA SOH Survey Report, REV.07-2001.	DPA Law § 599.644, MOU CBID
July 1	Department	Annual update to DGS, Real Estate Division re parcel, real property and major structures. Statewide Property Inventory  Form: Rev. RESD FORM 1040 (10/2000).	§ 11011.15 Gov't. Code et seq.

\*Reports may be submitted before the specified date. If the due date falls on Saturday, Sunday, or a legal holiday, the report may be submitted on the next business day.



## MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS                      DATE: March 22, 1994  
REFERENCE CODE: 94-18

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers, Labor Relations Officers  
Accounting Officers

FROM: Department of Personnel Administration

SUBJECT: State Owned Housing - Taxable Fringe Benefit

As you are probably aware, the State Controller's Office (SCO) recently issued Payroll Letter 94-06 which details the reporting and tax withholding requirements associated with employer-provided housing/lodging. State departments are required to immediately begin reporting to the SCO the value of taxable housing/lodging on a monthly basis. The SCO will withhold all applicable taxes from this taxable value.

This memorandum provides policy guidance regarding the assessment of fair market value and reporting of taxable income associated with employer-provided housing. Since this issue deals with the tax liability of individual employees, it is crucial that departments establish processes and procedures to comply with the reporting requirements specified in the SCO payroll letter.

The DPA has overall responsibility for administration of the State Owned Housing Program. This responsibility entails making decisions on problems which are referred by line departments and for adjusting applicable State regulations. Each State agency which provides housing accommodations for employees has been delegated the authority and responsibility for applying rental rates, making adjustments to the rates, maintaining the housing in good condition and disposing of housing which cannot be economically maintained. In addition, department heads may further delegate this responsibility to institution superintendents, wardens, district officers, etc. pursuant to DPA rule 599.646.

The process for adjusting rental rates for represented employees is dictated by the negotiated Memoranda of Understanding (MOU) for each bargaining unit. Non-represented employees are covered by State regulations. In applying rental rates, there is a tax liability issue which surfaces if employees are not paying a rent which is determined to be "fair market value". Internal Revenue Codes and Regulations require that specific criteria be met in order to exempt the value of employer-provided housing from taxation. When these criteria are not met and the employer provides housing at less than fair market value, then the value difference is deemed by the IRS to be taxable.

In order for departments to address the reporting requirements discussed in the SCO Payroll Letter, processes and procedures should be established immediately to: (1) evaluate whether each employer-provided housing unit meets the IRS' criteria for a tax exemption (2) determine fair market value (FMV), (3) compare the FMV against the



rental rate charged to the employee to identify the taxable value, and (4) over time, adjust rates for each unit/renter consistent with applicable DPA rules or MOU provisions.

Based on the experience of some appointing authorities, the DPA suggests that departments have the FMV determinations made by local appraisers or real estate services. This approach appears to have the advantage of utilizing trained, independent professionals who are familiar with the value of property and rental rates in the community. Using such persons facilitates a timely completion of the property survey/assessment process and ensures a more accurate and consistent assessment of actual fair market value. The IRS Regulations Section 1.61-21(b) provides guidance in the definition of fair market value. In addition, such factors as the property's extreme isolation or seasonal inaccessibility, the close proximity to disturbing noises or offensive odors, lack of privacy, age, overall size and physical condition etc., may impact the value of the property and the rental rate charged.

The following DPA policy shall guide appointing authorities on housing administration and reporting of any taxable fringe benefit generated from the difference between Fair Market Value and rents actually paid.

- 1) Timely and aggressively apply the housing/lodging requirements of Internal Revenue Code (IRC) Section 119-1 (b), including the "criteria" and the "definitions" contained therein.
- 2) Document the department's interpretation and application of Section 119-1 (b), including full justification and explanation of: a) "business premises"; b) "convenience of the employer"; and c) "condition of employment".
- 3) When taxable, report timely to the State Controller regarding the difference between determined Fair Market Value of rental properties occupied by employees and actual rents paid (ie., taxable value).
- 4) Consistent with MOUs and State Regulations, adjust all rents under the jurisdiction of the appointing authority.

Once appointing authorities have analyzed the issues addressed in SCO Payroll Letter 94-06, department staff who require DPA staff assistance regarding Fair Market Value questions, may call the Benefits and Training Division at (916) 322-0300 (Calnet 492-0300).

Patricia Pavone, Chief  
Benefits and Training Division

cc: Department Directors



STATE OF CALIFORNIA

GRAY DAVIS, State Controller

=====

OFFICE OF STATE CONTROLLER  
PERSONNEL/PAYROLL SERVICES DIVISION  
300 Capitol Mall  
P.O. Box 942850  
Sacramento, CA 94250-5878

DATE: March 16, 1994

PAYROLL LETTER # 94-06  
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: RALPH ZENTNER, Chief,  
Personnel/Payroll Operations Branch

RE: HOUSING/LODGING REPORTING AND WITHHOLDING REQUIREMENTS

\*\*\*\*\*  
PLEASE NOTE: YOU WILL NOT RECEIVE A HARD COPY OF THIS  
PAYROLL LETTER  
\*\*\*\*\*

PLEASE SHARE THIS INFORMATION WITH ALL EMPLOYEES WHO  
RECEIVE HOUSING/LODGING PAYMENTS. DEPARTMENTAL ACCOUNTING  
OFFICES WILL RECEIVE A COPY OF THIS PAYROLL LETTER UNDER  
SEPARATE MAILING.

This Payroll Letter defines reporting and withholding requirements as they pertain to the State's Housing/Lodging policy.

Effective immediately, the difference between the Fair Market Value of employer-provided Housing/Lodging and an employee's reimbursement amount (not exempt by IRS criteria) is taxable and reportable income.

GENERAL INFORMATION

IRS Codes and Regulations state that the value of employer provided Housing/Lodging may be excluded from gross income if the requirements in IRS Code Section 119-1(b) are met. The value of employer provided Housing/Lodging not meeting these criteria is a taxable fringe benefit under IRS Code Section 61 and Regulation Section 1.61-21(b). Criteria for determining taxability are summarized below.

NON-TAXABLE HOUSING/LODGING REQUIREMENTS -- IRS Regulations  
Section 1.119-1(b)

The value of employer provided Housing/Lodging may be excluded from taxation as a fringe benefit if the Housing/Lodging is provided:



1. On the business premises of the employer;
2. For the convenience of the employer; and
3. As a condition of employment.

1. On the business premises of the employer

The business premises of the employer generally means the place where the employee performs a significant portion of his duties. To meet this requirement, the Housing/Lodging must be on the premises, not near such premises.

2. For the convenience of the employer

The convenience of the employer means that the employer has a substantial non-compensatory business reason to provide the Housing/Lodging to the employee. This determination is made on a case-by-case basis. For example, Housing/Lodging furnished to an employee so that the employee is available for night emergency duty may qualify as Housing/Lodging furnished for substantial, non-compensatory business reasons.

3. As a condition of employment

A condition of employment means that the employee is compelled or required to accept the Housing/Lodging to properly perform the duties of the job. However, it is not enough that the employee is compelled by the employer to live on the premises. Housing/Lodging will be regarded as furnished to enable the employee properly to perform the duties of his employment when, for example, the Housing/Lodging is furnished because the employee is required to be available for duty at all times or because the employee could not perform the services required of him unless he is furnished such Housing/Lodging.

TAXABLE HOUSING/LODGING REQUIREMENTS -- IRS Code Section 61 and Regulations Section 1.61-21(b)

The value of Housing/Lodging not meeting these criteria are regulated by IRS Code Section 61 which states: "Gross income means all income from whatever source derived including...fringe benefits." IRS Regulation Section 1.61-21(b) requires the Fair Market Value (FMV), less any amount paid by the recipient, to be included in each employee's gross income.



IRS Regulation Section 1.61-21(b) defines FMV. "FMV of a fringe benefit is the amount that an individual would have to pay for the particular fringe benefit in an arm's-length transaction..." FMV equals the amount which the property would rent in an open market between a willing lessor and lessee.

Example: Department "X" rents an employee a house for \$225/month. FMV for the house is \$400/month. The FMV (\$400), less amount paid by the employee (\$225), equals the taxable and reportable fringe benefit amount (\$175).

The Department of Personnel Administration (DPA) has informed SCO that consistent with the intent of the IRS, FMV determinations shall be made by each Appointing Authority. Appointing Authorities may also have the FMV determination made by a local appraiser or real estate service. In either case, FMV determination should take into consideration the criteria presented in the California Code of Regulations, Title 2, Article 3, Sections 599.642 and 599.646 in addition to guidance presented in the definition of FMV in IRS Regulations Section 1.61-21(b).

#### REPORTING PROCEDURES

The value of taxable Housing/Lodging must be reported to SCO via Form Std. 676 (revised 5/92), Non-USPS Adjustment Request (Fringe Benefit/Employee Business Expense).

Payroll Procedure Manual (PPM) provides general instructions on Form Std. 676 completion. Box D indicating "Housing" on the Form Std. 676 must be marked when reporting Housing/Lodging values.

#### WITHHOLDING PROCEDURES

SCO will withhold all applicable taxes for the value of taxable Housing/Lodging. Specifically, SCO will withhold Federal Income Tax, State Income Tax and applicable Social Security and/or Medicare Taxes from a subsequent, regular payroll warrant.

Tax withholding will be identified on the Earnings Statement as additional taxes. Taxes withheld will show as Fed Tax Adj, St Tax Adj, SS/Med Adj, or Medicr Adj. However, if an employee has additional withholding, e.g. additional Federal Income Tax, the value of the Housing/Lodging withholding amounts will be included with the additional withholding amounts.



REPORTING FREQUENCY

Taxable Housing/Lodging values must be reported to SCO the first payroll period following receipt of the benefit. For example, Housing/Lodging values for April 1994 are reportable in May 1994. Agencies must report the value of taxable Housing/Lodging to Payroll Operations, W-2 Unit, on a monthly basis. Documents received by the 10th of the month will result in tax withholding from the current month, regular payroll warrant. Documents received after the 10th will result in tax withholding in the following pay period.

CONTACTS

Revisions to the PPM are forthcoming. Until further notice, please use the following contacts for required assistance:

Fair Market Value Questions

Department of Personnel Administration

Benefits Division (916) 322-0300  
CALNET 492-0300

Forms Std. 676 Completion

Payroll Operations (916) 322-8100  
W-2 Unit CALNET 492-8100

Reporting Requirements

Jim Fiack (916) 322-8128  
CALNET 492-8128

RZ:jf







**NON-USPS ADJUSTMENT REQUEST--VALUES**

(Fringe Benefit/Employee Business Expense)

76V (REV. 3-2001) (REVERSE)



**INSTRUCTIONS**

Please type or print clearly. Complete all required information for each line. Do not use ditto marks to indicate duplicate line information. Entries on Form STD. 676V must be as follows:

CSU Only: See PPM Section I-172.2 for special reporting instructions for Student Assistants.

**BOX A -- Item Code.** A separate form STD. 676V is required for each Item Code. Enter the two character ALPHA code, below, for the benefit being reported.

**BOX C -- Tax Year.** A separate form STD. 676V is required for each tax year. If tax year does not agree with issue date year (Column 9), issue date year will be used.

**BOX B -- Item Description.** Enter the full name, below, of the benefit being reported (e.g., CARS, Personal Use of State Vehicle).

**BOX D -- Page \_\_\_ of \_\_\_** must be completed.

**COLUMN**

1. Enter the employee's Social Security Number.
2. Enter the employee's first/middle initials and surname.
3. Enter the three-digit agency code.
4. Enter the three-digit unit number.
5. Enter the pay period in which the benefit amounts were received or incurred.
6. Enter the gross amount subject to withholding.
7. Leave blank.
8. Enter the State Code--CA, California  
IL, Illinois  
NY, New York  
Blank, all others

**COLUMN**

9. Enter the issue date of the benefit value. Issue date is defined as the last day of the pay period in which benefit values were provided to the employee.

**NOTE: NON-CASH TAXABLE FRINGE BENEFITS ARE REPORTED UNDER A SPECIAL ACCOUNTING PERIOD (SAP) OF DECEMBER THROUGH NOVEMBER. FOR NON-CASH BENEFITS RECEIVED IN THE MONTH OF DECEMBER, ENTER 01/01/XX OF THE SUBSEQUENT YEAR. SEE PAYROLL PROCEDURES MANUAL, SECTION I-175.**

**NOTE: FOR CAR/VAN POOL, COMMUTER HIGHWAY VEHICLE, DISCOUNT TRAVEL/TRANSIT PASS, AND FORGIVABLE LOAN, LEAVE STATE CODE BLANK.**

**BOTTOM BOXES**

- Enter the agency/campus name.
- Signature/printed name of the reporting officer is required.
- Enter the current date.
- Enter the name and telephone number of the person completing the form.

**ITEM CODE DESCRIPTION**

- AIRCRAFT**
- AP • Personal Use of State Aircraft
- AWARDS/BONUSES/INCENTIVES**
- AL • Lottery Sales Recognition Program (CS)
  - AI • Rideshare Incentive Award Program (CSU)
  - AM • Merit Award Program (*Cash equivalent*)
  - II • Miscellaneous Incentive Programs (*Cash equivalent*)
  - IE • Incentives Provided by Third Parties (*Cash equivalent*)
- CARS**
- CP • Personal Use of State Vehicle
  - CV • Vehicle Provided by Third Parties
- EA EDUCATIONAL ASSISTANCE**
- EL ELECTRONIC DEVICES**
- HOUSING**
- HE • Executive Housing Expense
  - HR • Reimbursement Plans
  - HV • Value of State Housing
- LIFE INSURANCE**
- LL • Group Term Life Insurance (Legislators)
  - LN • Group Term Life Insurance (Non-Legislators)

**ITEM CODE DESCRIPTION**

- LOAN PROGRAMS**
- LF • Forgivable Loan/Doctoral Incentive Program (CSU)
  - LA • Loan Assumption Program (CS)
  - LP • Loan Forgiveness Program (CS)
- MEALS**
- MP • Medical Officer of the Day
  - OM • Overtime Meals
- OP OUT-PLACEMENT**
- DM PROFESSIONAL/NONPROFESSIONAL DUES**
- TK TICKETS**
- SC SCHOLARSHIPS**
- Fee Waiver Program (CSU)
- TRANSPORTATION SUBSIDIES**
- TC • Car/Van Pool (CSU)
  - TH • Commuter Highway Vehicle (CSU)
  - TD • Discount Travel/Transit Pass
  - TE • Employer-Provided Parking
- UA UNIFORM ALLOWANCES**







BOE-502-P (FRONT) (8-97)

**POSSESSORY INTERESTS  
ANNUAL USAGE REPORT**

Section 480.6 Revenue & Taxation Code  
and Mailing Address of Agency)

*This is a written request made pursuant to Sec. 480.6 of the Revenue and Taxation Code. This report must be completed in detail by the agency and filed with the Assessor by February 15.*

*This report is not a public document. The information contained herein will be held secret by the Assessor (Sec. 451, Rev. & Tax. Code); it can only be disclosed to the district attorney, grand jury, and other agencies specified in Sec. 408 of the Rev. & Tax. Code. Attached schedules are considered to be part of the report.*

California law requires every state or local governmental entity that is the fee owner of real property in which one or more taxable possessory interests have been created or renewed to provide the assessor of the county in which the property is located information identifying the holder(s) of a taxable possessory interest, the property involved, and the terms and conditions of the agreement giving rise to the taxable possessory interests. The agency may provide the county assessor the information on either (1) a preliminary change in ownership report or change in ownership statement, or, (2) an annual real property usage report. If, as of January 1 this year, your agency owns any property with taxable possessory interests that have not already been reported on a preliminary change in ownership report or on a change in ownership statement, you are required to complete and file this form with the county assessor by February 15.

**PROPERTY USAGE**

NAME OF HOLDER OF POSSESSORY INTEREST	MAILING ADDRESS
LOCATION/DESCRIPTION OF SUBJECT PROPERTY	DATE OF TRANSACTION IN WHICH A TAXABLE POSSESSORY INTEREST WAS ACQUIRED
TYPE OF TRANSACTION (check one) <input type="checkbox"/> Creation <input type="checkbox"/> Renewal <input type="checkbox"/> Sublease <input type="checkbox"/> Assignment	AMOUNT AND TYPE OF CONSIDERATION
TERM OF POSSESSORY INTEREST (including renewal or extension options)	

Sublease:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Master Lease \_\_\_\_\_

Assignments:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Underlying Lease \_\_\_\_\_



NAME OF HOLDER OF POSSESSORY INTEREST	MAILING ADDRESS
LOCATION/DESCRIPTION OF SUBJECT PROPERTY	DATE OF TRANSACTION IN WHICH A TAXABLE POSSESSORY INTEREST WAS ACQUIRED
TYPE OF TRANSACTION (check one) <input type="checkbox"/> Creation <input type="checkbox"/> Renewal <input type="checkbox"/> Sublease <input type="checkbox"/> Assignment	AMOUNT AND TYPE OF CONSIDERATION
TERM OF POSSESSORY INTEREST (including renewal or extension options)	

Sublease:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Master Lease \_\_\_\_\_

Assignments:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Underlying Lease \_\_\_\_\_



NAME OF HOLDER OF POSSESSORY INTEREST	MAILING ADDRESS
LOCATION/DESCRIPTION OF SUBJECT PROPERTY	DATE OF TRANSACTION IN WHICH A TAXABLE POSSESSORY INTEREST WAS ACQUIRED
TYPE OF TRANSACTION (check one) <input type="checkbox"/> Creation <input type="checkbox"/> Renewal <input type="checkbox"/> Sublease <input type="checkbox"/> Assignment	AMOUNT AND TYPE OF CONSIDERATION
TERM OF POSSESSORY INTEREST (including renewal or extension options)	

Sublease:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Master Lease \_\_\_\_\_

Assignments:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Underlying Lease \_\_\_\_\_





NAME OF HOLDER OF POSSESSORY INTEREST	MAILING ADDRESS
LOCATION/DESCRIPTION OF SUBJECT PROPERTY	DATE OF TRANSACTION IN WHICH A TAXABLE POSSESSORY INTEREST WAS ACQUIRED
TYPE OF TRANSACTION (check one) <input type="checkbox"/> Creation <input type="checkbox"/> Renewal <input type="checkbox"/> Sublease <input type="checkbox"/> Assignment	AMOUNT AND TYPE OF CONSIDERATION
TERM OF POSSESSORY INTEREST (including renewal or extension options)	

Sublease:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Master Lease \_\_\_\_\_

Assignments:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Underlying Lease \_\_\_\_\_



NAME OF HOLDER OF POSSESSORY INTEREST	MAILING ADDRESS
LOCATION/DESCRIPTION OF SUBJECT PROPERTY	DATE OF TRANSACTION IN WHICH A TAXABLE POSSESSORY INTEREST WAS ACQUIRED
TYPE OF TRANSACTION (check one) <input type="checkbox"/> Creation <input type="checkbox"/> Renewal <input type="checkbox"/> Sublease <input type="checkbox"/> Assignment	AMOUNT AND TYPE OF CONSIDERATION
TERM OF POSSESSORY INTEREST (including renewal or extension options)	

Sublease:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Master Lease \_\_\_\_\_

Assignments:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Underlying Lease \_\_\_\_\_



NAME OF HOLDER OF POSSESSORY INTEREST	MAILING ADDRESS
LOCATION/DESCRIPTION OF SUBJECT PROPERTY	DATE OF TRANSACTION IN WHICH A TAXABLE POSSESSORY INTEREST WAS ACQUIRED
TYPE OF TRANSACTION (check one) <input type="checkbox"/> Creation <input type="checkbox"/> Renewal <input type="checkbox"/> Sublease <input type="checkbox"/> Assignment	AMOUNT AND TYPE OF CONSIDERATION
TERM OF POSSESSORY INTEREST (including renewal or extension options)	

Sublease:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Master Lease \_\_\_\_\_

Assignments:

Original Term and Remaining Term \_\_\_\_\_

Consideration Paid for Underlying Lease \_\_\_\_\_

**CERTIFICATION**

I certify (or declare) under penalty of perjury under the laws of the State of California that I have examined this report, including any accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete and covers any property required to be reported by the agency named in the statement. If prepared by a duly authorized person other than an agency official, the certification declaration is based on all the information of which the preparer has knowledge. This certification statement must be signed.

SIGNATURE OF AGENCY REPRESENTATIVE	TITLE	DATE
NAME OF PREPARER (print or type)	DAYTIME TELEPHONE NUMBER ( )	





